Revival of Hindustan Cables Ltd.

1284. SHRI NILOTPAL BASU:
SHRI DIPANKAR MUKHERJEE:

Will the Minister of INDUSTRY be pleased to state:

(a) whether a decision has been taken, as reported, to revive the Hindustan Cable Limited through financial restructuring;

(b) if so, the salient features of the same;

(c) whether any guidelines have been issued for even distribution of orders between Rupnarainpur and Hyderabad units;

(d) if so, the details of the same; and

(e) if not, the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) Yes, Sir.

(b) The salient features of the same are as under:—

1. Non-plan Budgetary support in the form of equity of Rs. 75 crores towards partial reimbursement of cash losses.
2. Assistance in the form of grant of Rs. 40 crores in 1998-99 and Rs. 28 crores during 1999-2000 for implementation of VRS, subject to revision as per new scheme which the Govt. may announce.
3. Capital resturcturing involving the following:

   (A) Conversion of outstanding Govt. loan of Rs. 167.12 crores (as on 1.10.1998) into equity.

   (B) Waiver of outstanding interest on Govt. Loan amounting to Rs. 109 crores as on 1.10.1998.

   (C) Waiver of interest of Rs. 13.66 crore accrued on Danida Grant.
4. To provide Government Guarantee to HCL for raising Rs. 35 crores by way of bond/commercial loan from Financial Institutions/Banks/Trusts/ Corporate Bodies etc., for a period of six years with exemption from guarantee fee.
5. Extension of Government Guarantee for Rs. 112 crore with exemption guarantee fee in favour of banks covering the overdrawal of the cash credit account for a period of four year upto 31.3.2003 on yearly basis, and also exemption from guarantee fee from October, 1996 to June, 1999. The guarantee fee required to be waived is Rs. 9.23 crores.
6. Reservation of orders of annual requirement of telecom cables of DOT/MTNL in favour of HCL 30% in the first year and 25% in the second year, along with advance of 50% gross value as available to ITI & HTL. The policy of reservation of orders will be reviewed thereafter, as directed by the Cabinet.

(c) to (e) Government have not laid down any such guidelines. This is a decision which the management of the Company has to take keeping in view factors such as end-use zone, delivery schedule etc.

Irregularities in PSUs

1285. SHRI JALALUDIN ANSARI:
SHRI GAYA SINGH:

Will the Minister of INDUSTRY be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned "A Minar of shame; How PSUs drained 150 crores published" in "The Hindustan Times" dated 4th February, 1999; and

(b) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHAT): (a) and (b) Yes, Sir. SCOPE is a registered society under the registration of Society Act. No budgetary support or grants-in-aid are provided to SCOPE by the Government. SCOPE accounts were got audited by the Comptroller and Auditor General of India. In their report (No. 4 of 1998) C&AG of India for the year ended March 31, 1997 has pointed out that the project cost had scaled up more than three times from the initial estimates of Rs. 50 crores. C&AG has also observed several irregularities like irregular payment of establishment charges, inadmissible payment on escalation in delayed civil work and payment of revision on labour escalation formula. Other observations made, include use of spurious fire fighting material, over payment to contractors and non-recovery of amount spent on watch and ward of site.

The C&AG report is now under the examination by the Public Accounts Committee.

Viability reports of TCIL and IRD

1286. SHRI GURUDAS DASGUPTA:
SHRI J. CHITHARANJAN:

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Industiral Development Bank of India (IDBI) was asked to submit separate viability reports for Tyre Corporation of India Ltd. (TCIL) Tyre and Industrial Rubber Product (IRD) division; by the end of September, 1998;

(b) if so, whether the IDBI has submitted the report; and

(c) if so, the details and Government's decision thereon?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) Yes, Sir.

(b) and (c) Industrial Development Bank of India (IDBI) has not yet submitted the report to BIFR.

M/s Sipani Automobiles, Bangalore

1287. SHRI RAJ NATH SINGH:
SHRIMATI MALTI SHARMA:

Will the Minister of INDUSTRY be pleased to state:

(a) whether M/s Sipani Automobiles, Bangalore, a manufacturing company of Montana invited deposits from customers desirous of purchasing of vehicles in the year 1993;

(b) if so, the details thereof and the amount of money received as deposit by the company;

(c) whether Government have received any representation from the people who booked the car by giving Rs. 10,000/—as deposit but subsequently cancelled the booking, regarding non-refund of money by the company;

(d) whether Government propose to take any action against the company for not refunding the money; and

(e) if not, the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) to (e) Ministry of Industry and the Government of India are not monitoring the refund of deposits by individual car company as these are commercial and administrative matters internal to the functioning of the company. If M/s. Sipani Automobiles have not refunded deposits for booking of cars to certain parties, the depositors can approach the concerned consumer Forum of the Judicial Authorities for redressal. This Ministry had received some complaints in this regard and the company had been requested to take necessary action to refund the depositis.